

GENERALFINANCE S.P.A.

ORDINARY SHAREHOLDERS' MEETING 10 APRIL 2025



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
ON THE ITEMS ON THE AGENDA**

(pursuant to Art. 125-ter of Italian Legislative Decree No. 58/1998, and Art. 84-ter of CONSOB Regulation No. 11971/1999)

**FOURTH ITEM ON THE AGENDA
OF THE SHAREHOLDERS' MEETING CALLED FOR 10 APRIL 2025**

- 4. Appointment of the Board of Statutory Auditors**
 - 4.1. Appointment of the members of the Board of Statutory Auditors and of the Chairperson;**
 - 4.2. Determination of remuneration.**

4. Appointment of the Board of Statutory Auditors

Dear Shareholders,

the approval of the financial statements for the year ended 31 December 2024 marks the expiry of the mandate granted to the Board of Statutory Auditors of your Company by the Ordinary Shareholders' Meeting of 8 March 2022; it is therefore necessary to appoint the new Board of Statutory Auditors and its Chairperson, as well as determine their remuneration, in compliance with the applicable regulatory and statutory provisions.

4.1 Appointment of the members of the Board of Statutory Auditors and of the Chairperson

Presentation of lists

In this regard, it should be noted that, pursuant to Art. 23 of the Articles of Association, the Board of Statutory Auditors is composed of 3 (three) standing members and 2 (two) alternate members.

The members of the Board of Statutory Auditors remain in office for 3 (three) financial years and their term of office expires on the date of the shareholders' meeting called to approve the financial statements relating to the third year of office; they can also be re-elected. The members of the Board of Statutory Auditors must meet the requirements set forth by the legislation and regulations in force and applicable from time to time. In this regard, the following subjects are considered to relate strictly to the Company's business domain: commercial law, corporate law, financial markets law, tax law, business economics, corporate finance, disciplines with a similar or comparable object, as well as, lastly, subjects and sectors relating to the Company's business sector.

The Board of Statutory Auditors is elected by the ordinary shareholders' meeting based on the lists presented by the shareholders, according to the provisions set out hereunder, ensuring that the gender balance is respected based on the legal and regulatory provisions in force from time to time.

Shareholders who, at the time of submission of the list, are holders - alone or together with others - of a stake of at least equal to 2.5% of the share capital, as determined by Consob pursuant to the applicable legislative and regulatory provisions, have the right to present lists.

Each list submitted must:

- contain the names, marked by a sequential number, of a number of candidates not exceeding 5 (five);
- be split into two sections: one for candidates for the office of standing auditor, the other for candidates for the office of alternate auditor. The first of the candidates of each section must be enrolled in the register of auditors and have performed auditing activities for a period of no less than 3 (three) years; and
- each list that - considering both sections - has a number of candidates equal to or greater than 3 (three) must also include candidates belonging to both genders, at least in the minimum proportion required by the laws and regulations in force at the time; in particular, the less represented gender must account for least two fifths of the elected directors.

It should also be noted that each candidate can only appear on one list, under penalty of ineligibility and that each shareholder, as well as the shareholders participating in a relevant shareholders' agreement in accordance with Art. 122 of the Consolidated Law on Finance, the parent company, the subsidiaries and those subject to common control and other entities between whom relationships are in place, including indirect, pursuant to the legislation and regulations in force, cannot present - or contribute to the presentation, either through third parties or trust - of more than one list, nor vote on different lists. Acceptances and votes expressed in violation of said prohibition shall not be allocated to any list.

Together with the presentation of the lists and within the deadline for filing them, all the declarations, certifications or documents required by the regulations in force and by the Articles of Association must be filed, and therefore:

- information relating to the shareholders who presented the list and their percentage shareholding;
- a declaration from the shareholders other than those who hold, including jointly, a controlling interest or a relative majority, certifying the absence of any relationships with the latter, including indirect, pursuant to the legislation and regulations currently in force;
- the *curriculum vitae* of the candidates as well as a declaration in which each candidate certifies, under their own responsibility, that there are no grounds for ineligibility and incompatibility and that the requirements to fulfil the respective offices required by the legislation in force applicable to financial intermediaries are satisfied (see, in particular, the provisions set out in Ministerial Decree no. 169/2020);
- a report relating to the candidates with an indication of the management and control positions held in other companies;
- the declaration in which each candidate accepts his/her candidacy;
- any other additional or different declaration, disclosure and/or document required by the legislation and regulations in force on each occasion; and
- copy of the communication pursuant to Art. 43 of the Single Provision on post-trading of Consob and Bank of Italy of 13 August 2018 (and subsequent amendments, including those approved by Consob and the Bank of Italy on 10 October 2022) and Art. 83-sexies of the Consolidated Law on Finance and the relative implementing rules (the "**Communication**") or declaration of commitment to transmit the Communication in question within the deadline for publication of the lists.

In the event of non-fulfilment of the obligations set forth in this article, the list is considered as not having been presented. Any changes that should be verified until the day of actual conduct of the Shareholders' Meeting are promptly communicated to the Company.

The lists, together with the related documentation required by current legislation and the Articles of Association, must be signed by the shareholders and filed, under penalty of forfeiture, by midnight on 17 March 2025 ⁽¹⁾, with the following methods (alternating between them):

- filing at the registered office of Generalfinance, Via Giorgio Stephenson, 43/A, Milan on working days from 9:00 to 17:00; or
- transmission by certified e-mail, to the following certified e-mail address generalfinance@pec.it, attaching the documents in pdf format.

There is no publicity responsibility for the Shareholder, as Generalfinance is obliged to make the information relating to the lists duly submitted available to the public. In particular, the lists of candidates that have been duly submitted will be made available to the public by 20 March 2025 (at least 21 days before the date of the Shareholders' Meeting pursuant to Art. 147-ter, paragraph 1-bis, Consolidated Law on Finance), by Generalfinance at the registered office of Generalfinance, on its website (www.generalfinance.it, section "Corporate Governance / Shareholders' Meeting") and on the website of the authorised storage mechanism, "eMarket Storage" www.emarketstorage.com and with the other methods indicated in the notice of call of the Shareholders' Meeting.

In the event in which, on the date of expiry of the deadline for presenting lists set forth in the legislative and regulatory provisions in force, only one list has been submitted - or only lists presented by shareholders who are related in accordance with the legal and regulatory provisions in force - lists can

⁽¹⁾ The twenty-fifth day prior to that scheduled for the Shareholders' Meeting would fall on Sunday 16 March 2025, therefore the term must expire on Monday 17 March 2025, the first subsequent business day.

be presented until the third day after the deadline for submitting the lists (i.e. by 20 March 2025). In said case, the percentage stake in the Company's share capital required to present lists is reduced to half.

Election

Pursuant to Art. 24 of the Articles of Association, the Board of Statutory Auditors is elected according to the following provisions:

- two standing members and one alternate member are taken from the list which obtained the highest number of votes ("**Majority List**"), based on the sequential number with which they appear in said list;
- the remaining standing member, who will also be appointed Chairperson of the Board of Statutory Auditors, and the other alternate member, shall be taken from the list that obtained the second highest number of votes at the shareholders' meeting and which is not connected, even indirectly, with the shareholders who presented or with those who voted for the Majority List (the "**Minority List**"), in the sequential order in which they appear in said list. In the event in which several lists have received the same number of votes, a new ballot is held between said lists by all parties entitled to vote present at the Shareholders' Meeting, with the candidates elected from the list that obtains the relative majority.

If the gender balance has not been ensured according to the provisions of the legislation and regulations currently in force, the candidate belonging to the most represented gender and elected, indicated last in sequential order in each section of the Majority List, shall be replaced by the candidate belonging to the less represented gender and not elected taken from said list according to the sequential order of presentation.

If the number of candidates elected based on the lists presented is less than the number of statutory auditors to be elected, the remainder shall be elected by the shareholders' meeting which resolves according to the legal majorities and to ensure that the gender balance required by the legislation and regulations in force from time to time is respected.

In the event only one list is presented, the entire Board of Statutory Auditors is taken from said list in compliance with the legislation and regulations in force from time to time. By contrast, in the event no list is presented, the shareholders' meeting resolves on the basis of a relative majority in accordance with the legal provisions. In said scenario, the Chairperson of the Board of Statutory Auditors is appointed by the Shareholders' Meeting which resolves on the basis of the relative majority of the votes represented therein.

In light of the above, the Shareholders' Meeting is called upon to express its opinion on the appointment of the new members of the Board of Statutory Auditors, including the Chairperson.

4.2. Determination of remuneration

With reference to the remuneration, it should be noted that, pursuant to Art. 23 of the Articles of Association, the members of the Board of Statutory Auditors shall receive not only the reimbursement of expenses incurred in fulfilling their office, but a fee determined for the entire term of office by the shareholders' meeting at the time of their appointment.

In light of the above, it is proposed that the annual gross remuneration due to the Board of Statutory Auditors for the entire duration of their mandate be determined, in addition to the reimbursement of expenses incurred for the fulfilment of the engagement, as follows: the Chairperson of the Board of Statutory Auditors shall receive 25,000.00 (*twenty-five thousand comma zero zero*) for each financial

year; each standing auditor shall receive 15,000.00 (*fifteen thousand comma zero zero*) for each financial year.

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In light of all the above:

- the Shareholders are invited to resolve on the appointment of the members of the Board of Directors, expressing their preference for one of the lists prepared, filed and published in compliance with the above provisions, without prejudice to the fact that the text of the shareholders' meeting resolution relating to point 4.1 on the agenda will reflect the outcome of the vote; and
- with reference to item 4.2 on the agenda, the following proposed resolution is therefore submitted to the shareholders for approval.

4.2. Determination of remuneration

*"The Ordinary Shareholders' Meeting of Generalfinance S.p.A.,
- having regard to the Report of the Board of Directors;*

RESOLVES

to determine the annual gross remuneration due to the Board of Statutory Auditors for the entire duration of the mandate, in addition to the reimbursement of expenses incurred for the fulfilment of the engagement, as follows:

- *to the Chairperson of the Board of Statutory Auditors Euro 25,000.00 (twenty-five thousand comma zero zero) for each financial year;*
- *to each standing auditor Euro 15,000.00 (fifteen thousand comma zero zero) for each financial year".*

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Milan, 1st March 2025

On behalf of the Board of Directors
The Chairman
Maurizio Dallochio